

SENATE BILL

No. 32

Introduced by Senator Alpert

February 5, 2001

An act to amend Section 332.1 of the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 32, as introduced, Alpert. Electric bills: bill stabilization.

(1) Existing law restructuring the electrical industry establishes a process for the recovery by specified electrical corporations of certain uneconomic costs during a transition period that began on January 1, 1998, and ends for an electrical corporation on the earlier of March 31, 2002, or the date that the electrical corporation fully recovers its uneconomic costs. During the transition period, existing law imposes a rate freeze and a rate reduction, as prescribed, to remain in effect until March 31, 2002, unless the electrical corporation fully recovers its uneconomic costs at an earlier date.

The San Diego Gas and Electric Company has recovered all uneconomic costs subject to existing law, and, pursuant to a decision of the Public Utilities Commission, is no longer subject to the rate freeze and rate reduction. An existing order of the commission adopts a bill stabilization plan for certain customers of the company, as prescribed.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(3) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 332.1 of the Public Utilities Code is
2 amended to read:

3 332.1. (a) (1) It is the intent of the Legislature to enact Item
4 1 (revised) on the commission's August 21, 2000 agenda, entitled
5 "Opinion Modifying Decision (D.) D.00-06-034 and
6 D.00-08-021 to Regarding Interim Rate Caps for San Diego Gas
7 and Electric Company," as modified below.

8 (2) It is also the intent of the Legislature that to the extent that
9 the Federal Energy Regulatory Commission orders refunds to
10 electrical corporations pursuant to their findings, the commission
11 shall ensure that any refunds are returned to customers.

12 (3) *It is the intent of the Legislature that direct access customers*
13 *in the San Diego Gas and Electric Company territory not be*
14 *discriminated against in the implementation of this section.*

15 (b) The commission shall establish a ceiling of six and
16 five-tenth cents (\$.065) per kilowatt hour on the energy
17 component of electric bills for residential, small commercial, and
18 street lighting customers of the San Diego Gas and Electric
19 Company, through December 31, 2002, retroactive to June 1,
20 2000. If the commission finds it in the public interest, this ceiling
21 may be extended through December 2003 and may be adjusted as
22 provided in subdivision (d). *The commission shall require the San*
23 *Diego Gas and Electric Company to provide the economic value*
24 *of the rate cap imposed in this subdivision to direct access*
25 *customers through a credit on their bills.*

26 (c) The commission shall establish an accounting procedure to
27 track and recover reasonable and prudent costs of providing
28 electric energy to retail customers unrecovered through retail bills
29 due to the application of the ceiling provided for in subdivision (b).
30 The accounting procedure shall utilize revenues associated with
31 sales of energy from utility-owned or managed generation assets

1 to offset an undercollection, if undercollection occurs. The
2 accounting procedure shall be reviewed periodically by the
3 commission, but not less frequently than semiannually. The
4 commission may utilize an existing proceeding to perform the
5 review. The accounting procedure and review shall provide a
6 reasonable opportunity for San Diego Gas and Electric Company
7 to recover its reasonable and prudent costs of service over a
8 reasonable period of time.

9 (d) If the commission determines that it is in the public interest
10 to do so, the commission, after the date of the completion of the
11 proceeding described in subdivision (g), may adjust the ceiling
12 from the level specified in subdivision (b), consistent with the
13 Legislature's intent to provide substantial protections for
14 customers of the San Diego Gas and Electric Company and their
15 interest in just and reasonable rates and adequate service.

16 (e) For purposes of this section, "small commercial customer"
17 includes, but is not limited to, all San Diego Gas and Electric
18 Company accounts on Rate Schedule A of the San Diego Gas and
19 Electric Company, all accounts of customers who are "general
20 acute care hospitals," as defined in Section 1250 of the Health and
21 Safety Code, all San Diego Gas and Electric Company accounts
22 of customers who are public or private schools for pupils in
23 kindergarten or any of grades 1 to 12, inclusive, and all accounts
24 on Rate Schedule AL-TOU under 100 kilowatts.

25 (f) The commission shall establish a program for large
26 commercial, agricultural, and industrial customers who buy
27 energy from the San Diego Gas and Electric Company, on a
28 voluntary basis, at the election of the customer, to set the energy
29 component of their bills at six and five-tenths cents (\$.065) per
30 kilowatt hour with a true-up after a year.

31 (g) The commission shall institute a proceeding to examine the
32 prudence and reasonableness of the San Diego Gas and Electric
33 Company in the procurement of wholesale energy on behalf of its
34 customers, for a period beginning at the latest on June 1, 2000. If
35 the commission finds that San Diego Gas and Electric Company
36 acted imprudently or unreasonably, the commission shall issue
37 orders that it determines to be appropriate affecting the retail rates
38 of San Diego Gas and Electric Company customers including, but
39 not limited to, refunds.

1 SEC. 2. No reimbursement is required by this act pursuant to
2 Section 6 of Article XIII B of the California Constitution because
3 the only costs that may be incurred by a local agency or school
4 district will be incurred because this act creates a new crime or
5 infraction, eliminates a crime or infraction, or changes the penalty
6 for a crime or infraction, within the meaning of Section 17556 of
7 the Government Code, or changes the definition of a crime within
8 the meaning of Section 6 of Article XIII B of the California
9 Constitution.

10 SEC. 3. This act is an urgency statute necessary for the
11 immediate preservation of the public peace, health, or safety
12 within the meaning of Article IV of the Constitution and shall go
13 into immediate effect. The facts constituting the necessity are:

14 In order to ensure that the bill stabilization plan is implemented
15 in an equitable fashion as soon as possible, it is necessary that this
16 act take effect immediately.

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